

18 Aug 2022

The Honorable Martin Glenn United States Bankruptcy Court, Southern District of New York
One Bowling Green New York, NY 10004-1408

Re: Celsius Network LLC, et al. ("Celsius"), Case Number 22-10964

To the Honorable Judge Glenn,

Sir, the purpose of my letter is to:

- 1) Highlight some unresolved questions about retail loans through my personal situation
- 2) Highlight that the CEO made oral changes to the terms and conditions.
- 3) Suggest solutions to consider in the coming weeks and months.

BACKGROUND INFORMATION

I am a UK based customer of Celsius and most of my assets are tied up in their loans product. After much research, I decided to take a loan out with Celsius instead of the many other providers for the following reasons

- Alex Mashinsky repeatedly stated that Celsius is safer than a bank
- Alex Mashinsky repeatedly used the term "your assets" when talking about collateral and saying 'we' the customer never sell it, we just borrow against it.
- Alex Mashinsky stated there can "Never" be a bank run on Celsius as they are always over collateralized.
- Alex Mashinsky stated that there is a daily reconciliation that happens so that they are probably overcapitalized and safe.

Alex repeated these claims **regularly** and on youtube channels that in total have millions of viewers. These should be easy for the Unsecured Creditors Committee or any other relevant body to validate and bring to your attention. Here is just one example where Alex stated that the "we" the customer are not selling our collateral but merely borrowing against it

https://www.youtube.com/watch?v=V1k_vVU4bNg&t=1086s&ab_channel=BrianOndrako

From 15.52 to 19.40

Celsius stopped their UK operations and prevented new user sign ups due to operating in a gray area or illegally in the UK. In my personal circumstance, I was still allowed to use their loans services after they stopped operating in the UK because I had signed up a few months earlier.

UNRESOLVED QUESTIONS

Your honor, I humbly request you help find out the answers to the following questions and keep them at the forefront of your mind to help people like me who have taken loans with Celsius

- 1) Given that the CEO repeatedly stated that “we” the customer are not selling our collateral but merely borrowing against it on multiple platforms viewed by millions of customers, does this mean that Alex orally changed to the terms and conditions?
- 2) Given that the CEO misrepresented both the risks of using the platform and the processes that were in place to keep the assets safe, does this make any and all agreements between customers and Celsius null and void?
- 3) Are any agreements made between UK customers and Celsius still valid, if the agreement happened after they legally stopped operating in the UK?

FUTURE SOLUTIONS

Your Honor, there are three solutions that I hope the Committee of Unsecured Creditors bring to your consideration.

They are in order of priority that best brings resolution to all parties:

1. Allow solvent lending platform to buy off any and all current or matured retail loans from Celsius Loans LLC retail loan order book in which users pay interest and principal to new lending platform. Upon completion of new loan terms, users' collateral is returned to a personal wallet they control.
2. Upon financial, regulatory, and legal clarity from these proceedings, allow users the ability to pay off interest and principal to Celsius Network and have the collateral returned to a user's personal wallet outside of the Celsius Network platform.
3. Allow users the option of liquidation of collateral that pays for any current or matured interest and principal with the remaining collateral going to a user's personal wallet outside of the Celsius Network platform.

CONCLUSION

Your Honor, thank you for taking the time to consider this background information, unresolved questions, potential problems, and future solutions. I appreciate your willingness to consider the financial future of 23,000 retail users with loans on the Celsius Network platform.

Your attention and the attention of the Committee of Unsecured Creditors is greatly appreciated in this matter, especially for users who have loans maturing in the next 14 days.

V/r,

IAN A WATKINS

